

**House Study Bill 540 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
VETERANS AFFAIRS BILL)

**A BILL FOR**

1 An Act exempting from the computation of the state individual  
2 income tax certain amounts received from the veterans trust  
3 fund and including a retroactive applicability provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code Supplement 2009, is amended  
2 by adding the following new subsection:

3 NEW SUBSECTION. 46A. Subtract, to the extent included,  
4 amounts received from the veterans trust fund for any of the  
5 following items:

6 a. Travel expenses pursuant to section 35A.13, subsection  
7 7, paragraph "a".

8 b. Unemployment assistance pursuant to section 35A.13,  
9 subsection 7, paragraph "c".

10 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
11 retroactively to January 1, 2010, for tax years beginning on  
12 or after that date.

13 EXPLANATION

14 The veterans trust fund allows moneys appropriated to  
15 the veterans affairs commission to be expended for, among  
16 other things, providing travel expenses for wounded veterans  
17 and their spouses, if the expenses are directly related to  
18 follow-up medical care, and unemployment assistance during a  
19 period of unemployment, if the unemployment is due to prolonged  
20 physical or mental illness or disability resulting from  
21 military service.

22 This bill exempts these benefits from the individual income  
23 tax.

24 The bill applies retroactively to January 1, 2010, for tax  
25 years beginning on or after that date.